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APPENDIX VIII

[*Vide* item V (6)]

L.A. Bill No. 20 of 1970

(As passed by the Assembly.)

A Bill further to amend the Tamil Nadu Panchayats Act, 1958.

BE it enacted by the Legislature of the State of Tamil Nadu in the Twenty-first Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Tamil Nadu Panchayats (Second Amendment and Validation) Act, 1970.

(2) (*a*) Section 2 shall be deemed to have come into force on the 1st January, 1960.

(*b*) Section 3 shall come into force on such date as the State Government may, by notification, appoint.

(*c*) Section 5 shall be deemed to have commenced into force on the 1st April 1970.

2. *Insertion of new section* 72-A *in Tamil Nadu Act XXXV of* 1958 : In the Tamil Nadu Panchayats Act, 1958 (Tamil Nadu Act XXXV of 1958) (hereinafter referred to as the principal Act), after section 72, the following section shall be inserted, namely :—

"72-A. *Power of Government to resume possession of unreserved forest vested in panchayat and payment of compensation, etc.*—(1) If in the opinion of the Government any unreserved forest vested in a panchayat under section 72 is required for any public purpose, they may, by notification, resume the possession and administration of such unreserved forest and upon such resumption by the Government, all rights and interests created in or over such unreserved forest before such resumption shall against the Government cease and determine.

(2) Whenever the possession and administration of such unreserved forest is resumed by the Government under sub-section (1), there shall be paid to the panchayat concerned compensation for any improvement made by such panchayat in such unreserved forest, as determined in the manner hereinafter provided by the district collector within whose jurisdiction such unreserved forest is situate.

Explanation.—For the purpose of this sub-section, 'improvement' means any work or product of a work which adds to the value of the unreserved forest or is suitable to it and consistent with the purpose for which it was vested in the panchayat and shall include the following works or the products of such works—

(*a*) the erection of buildings or any other structure, the construction of tanks, wells, channels, dams and other works for the storage or supply of water for agricultural or domestic purposes ;

(*b*) the preparation of land for irrigation ;

(*c*) the reclamation, clearance, enclosure or permanent improvement of land for agricultural purposes;

(*d*) the renewal or reconstruction of any of the foregoing works or alterations therein or addition thereto ;

(*e*) the planting or protection and maintenance of, fruit trees, timber-trees and other useful trees and plants.

(3) The compensation payable in respect of the improvements referred to in clauses (*a*) to (*d*) of the *Explanation* to sub-section (2) shall be the actual value of such improvements as on the date of resumption of the unreserved forest by the Government which shall include actual cost of the labour, supervision thereof, and of the materials, together with other expenditure, if any which would be required to make such improvements, less a reasonable deduction on account of the deterioration, if any, which may have taken place from age or other cause. The compensation payable in respect of improvement referred to in clause (*e*) of the *Explanation* to sub-section (2) shall be such sum which the trees or plants might reasonably be expected to realise, if sold by public auction to be cut and carried away at the time of resumption of the unreserved forest by the Government :

Provided that in computing the actual value of such improvements, the value of the unreserved forest to which such improvements have been made shall not be taken into account :

Provided further that if any grant for the purpose of making such improvements has been paid by the Government to the panchayat concerned, then, the amount of such grant paid shall be deducted from the amount of compensation payable in respect of such improvements :

Provided also that in the case of trees and plants in the unreserved forest which are of spontaneous growth the compensation payable in respect of such trees and plants shall be the proper cost of protection and maintenance of such trees and plants.

(4) The amount of compensation referred to in sub-section (2) shall be given to every panchayat, at its option,—

(*a*) in cash in such annual instalments with interest at such rates as may be prescribed, or

(*b*) in saleable or otherwise transferable promissory notes or other securities or stock certificates of the Government, or

(*c*) partly in cash or partly in such securities specified in clause (*b*), as may be required by the panchayat.

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(5) The option of the panchayat referred to in sub-section (4) shall be exercised by such panchayat before the expiry of a period of three months from the date of resumption of the possession and administration of the unreserved forest by the Government and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised. Any panchayat which omits or fails to exercise the option referred to in sub-section (4) within the time specified above shall be deemed to have opted for payment in securities and stock certificates referred to in clause (*b*) of sub-section (4). The amount of compensation payable in instalments shall be paid, and the securities and stock certificates referred to in clause (*b*) of sub-section (4) shall be issued, within sixty days from the date of receipt by the Government of the option referred to above or where no such option has been exercised from the date before which such option ought to have been exercised.

(6) Any panchayat aggrieved by an order relating to compensation under this section may appeal to the Board of Revenue within such period and in such manner as may be prescribed. The order of the Board of Revenue on such appeal and where no appeal is preferred, the order which has not been appealed against, shall be final and shall not be called in question in any court of law."

3. *Amendment of section* 116, *Tamil Nadu Act XXXV of* 1958.—In section 116 of the principal Act, for the words " shall be subject to such maximum as may be prescribed " occurring at the end, the words " shall not exceed one rupee and fifty paise on every rupee of land revenue payable in respect of such land " shall be substituted.

4. *Amendment of section* 129, *Tamil Nadu Act XXXV of* 1958.—In section 129 of the principal Act, the words and figures, " in excess of the minimum rate fixed under section 116 " occurring at the end shall be omitted.

5. *Substitution of new section for section* 131, *Tamil Nadu Act XXXV of* 1958.—For section 131 of the principal Act, the following section shall be substituted, namely :—

"131. *Local Roads Grant.*—The Government shall pay every year to every panchayat union council a local roads grant, which shall be such sum as may be fixed by the Government for each individual of the estimated population in the panchayat development block to be earmarked and spent on the maintenance of roads in its area and such sum shall be in lieu of the amounts payable before the commencement of this Act, with reference to section 10 (1) (*a*) of the Tamil Nadu Motor Vehicles Taxation Act, 1931 (Tamil Nadu Act III of 1931) :

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Provided that in calculating the sum to be paid to the panchayat union council by way of local roads grant under this section, the Government shall take into account the length and nature of roads lying in the panchayat development block."

6. *Validation of local cess surcharge under the Tamil Nadu Act XXXV of* 1958.—Notwithstanding anything contained in any judgment, decree or order of any court, no levy or collection of local cess surcharge by a panchayat union council under the principal Act prior to the date of the commencement of section 3 of this Act (hereinafter in this section referred to as the said date) shall be deemed to be invalid or ever to have been invalid on the ground only that no maximum has been prescribed for such local cess surcharge and such local cess surcharge levied or collected or purporting to have been levied or collected shall, for all purposes, be deemed to be and to have always been validly levied or collected and accordingly—

(*a*) all acts, proceedings or things done or taken by a panchayat union council or any authority, officer or person in connection with the levy or collection of any local cess surcharge shall, for all purposes, be deemed to be and to have always been done or taken in accordance with law ;

(*b*) no suit or other proceeding shall be maintained or continued in any court for the refund of any local cess surcharge so paid ;

(*c*) no court shall enforce any decree or order directing the refund of any local cess surcharge so paid ;

(*d*) any local cess surcharge which becomes leviable under the principal Act as amended by this Act for any period before the said date may be levied and collected in the manner provided under the principal Act as amended by this Act.

TRUTH ALONE TRIUMPHS